

# Bond Bill panel OKs \$6 million budget cut

## Reductions due from projects slated for 2011

By GINGER GIBSON • The News Journal • June 5, 2009

DOVER -- The Bond Bill committee approved legislation Thursday to whittle another \$6.6 million from the state's \$26 million budget deficit, including cutting \$5 million in funds for drainage projects scheduled to start work in 2011.

The remaining \$19 million to close this year's gap will come from reductions in operating costs, Office of Management and Budget Director Ann Visalli said. It is a necessary step before closing the \$800 million gap for next year.

This is the third time the Bond Bill committee has approved a "mini Bond Bill" aimed at reducing the size of the current budget deficit by returning unspent funds from completed projects to the General Fund. The Bond Bill committee met in an open session Thursday, two days after legislation requiring them to do so passed in the Senate but before the bill was signed into law.

The largest cut in the mini Bond Bill was \$5 million from the 21st Century Fund, which is capital money used for drainage renovations across the state. The fund often is matched by transportation funds that are allocated to each lawmaker to use in his or her district.

Visalli said the money is for projects that were slated to start in the 2011 fiscal year, and that hopefully the state's fiscal problems will improve by then.

She said the reduction will not affect projects that were expected to begin in 2010 or this year.

"There is 100 percent of the money to cover all the projects that have any indication that [they] are ready to go," Visalli said.

Several committee members said they were concerned that projects on the list to begin in 2011 would lose their priority spot and have to start the waiting period again.

Mike Jackson, who oversees the budget for OMB, said the projects will remain in the same place on the list unless legislators remove their matching funds.

"Without any additional funding they will have a really difficult time moving forward," Jackson said.

Sen. Nancy Cook, D-Kenton, pointed out that the 21st Century Fund never has been funded at a 100 percent level.

"This is a big step backward, but we never made a step forward either," she said.

The bill, if passed by both chambers, would take money from special funds, including \$500,000 from a fund for federally qualified health care centers that was part of a 2004 federal stimulus package.

Jackson said unlike the recent federal stimulus package, the 2004 money did not include strict requirements about using the money. Because health care centers in the state hadn't requested all of the funds, Jackson said the money was available for use in the general fund.

He added that the current stimulus bill included about \$200,000 for health care centers that will replace part of the \$500,000 moving into the General Fund.

The committee also agreed to remove \$348,491 from agency funds that had not been spent. The reversions included about \$30,482 from the Delaware Psychiatric Center that was allocated in 2007 and \$4,860 from the Greenwood Library.